

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **March 12, 2002**

AGENDA ITEM NO.: 20

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

**ITEM TITLE: Adoption of A Resolution Supporting the Work Plan of the Virginia First Cities Coalition**

**RECOMMENDATION:** Adopt a resolution supporting the work plan of the Virginia First Cities Coalition

**SUMMARY:** As a member of the Virginia First Cities Coalition, Lynchburg has been active in setting the agenda for that organization as it pursues legislative and policy changes and attempts to educate the public with a goal of bettering the condition of the Commonwealth's core cities. Councilman Hobbs serves as your representative on the Coalition's Policy Committee. At a Policy Committee meeting held on January 31, 2002 in Richmond the group agreed to a work plan that is included in the attached meeting summary. In order to draw attention on the plight of Virginia's First Cities it is thought to be appropriate that the governing bodies of each coalition city adopt a resolution in support of the work plan. The proposed resolution is attached.

In the coming weeks, a number of other First Cities Coalition activities are planned:

- A letter will be sent to the Governor urging a special session of the General Assembly to address tax restructuring
- An outreach will be made to the local press of each member city to discuss the impact of state budget decisions
- The impacts of state budget actions will be quantified and compiled for dissemination
- At the next meeting of the Policy Committee, on March 28, 2002, a press conference will be held to explain the impact of state budget action

**PRIOR ACTION(S):** N/A

**FISCAL IMPACT:** N/A

**CONTACT(S):** Kimball Payne

**ATTACHMENT(S):** Summary of the 1/31/02 Policy Committee meeting, proposed resolution

**REVIEWED BY:**

A RESOLUTION SUPPORTING THE VIRGINIA FIRST CITIES  
COALITION PLAN OF ACTION TO ADDRESS A BETTER  
FINANCIAL STRUCTURE BETWEEN THE STATE AND LOCAL  
GOVERNMENT

WHEREAS, the City of Lynchburg is one of a group of older core cities in the Commonwealth of Virginia that has banded together as the Virginia First Cities Coalition, and

WHEREAS, there is growing disparity between the revenues the State provides to cities and the mandates and transfer of responsibilities the State places on local government, which has been further exacerbated by the State's restrictions on cities' authority to generate revenues, and

WHEREAS, the current State-City intergovernmental structure has not kept pace with a changing economy and best business and management practices creating a disconnect high service responsibilities and the means to finance them, most particularly in the areas of education and transportation, and

WHEREAS, the Joint Legislative Audit Review Committee (JLARC) has recently issued reports on the adequacy of State support for education and transportation, and

WHEREAS, the State generally governs public education and sets the Standards of Quality (SOQ) which are the base standards that all public elementary and secondary schools must meet, and

WHEREAS, JLARC found that the State typically pays about forty percent (40%) of public elementary and secondary school costs and less than fifty-five percent (55%) of the costs of the minimum standards, and

WHEREAS, JLARC further found that localities have valid reasons to be concerned about their level of responsibility for educational costs, and

WHEREAS, the City of Lynchburg in order to address the inadequate State funds for education provides an amount to the Lynchburg Public Schools that is in excess of the entire proceeds the City receives from the real property tax, and

WHEREAS, the recently issued JLARC study of transportation activities revealed that the State Highway Maintenance Program is similarly under-funded, and

WHEREAS, this same study revealed over forty percent (40%) of Virginia's bridges were in need of repair or rehabilitation, and construction funds will be insufficient to pay for highway projects identified as legislative priorities over the next ten (10) years, and

WHEREAS, the above findings were shared with the Virginia First Cities Coalition, and a work plan developed by the Coalition to seek redress from the State, and

WHEREAS, the funding for education and transportation in the amendments proposed for the current FY 02 and FY 03-04 State budgets will result in significant negative impacts and impede the economic viability of the cities and the Commonwealth of Virginia as a whole, and

WHEREAS, the proposed First Virginia Cities Work Plan includes strategies to address this critical imbalance of service responsibilities and financing between the state and its localities,

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Lynchburg that the Council endorses the efforts of the Virginia First Cities Coalition to cause the State to work collaboratively with cities to adopt and implement comprehensive structural changes to the intergovernmental relationship and most immediately provide adequate funding for education and transportation and authorizes the City Manager to take such actions as are necessary to support this effort.

AND, FURTHERMORE, that the Council hereby endorses the work plan of the Virginia First Cities Coalition, which includes the following actions:

- 1) Support a special session of the General Assembly to consider tax restructuring
- 2) Investigate litigation concerning funding the Standards of Quality
- 3) Seek allies who support First Cities' issues on a case-by-case basis (e.g. VACO, VA Education Association, etc.)
- 4) Develop a comprehensive public relations and information plan. A timeline and funding requirements should be in that work plan
- 5) Support bills raising statewide and regional sales tax to fund education and transportation needs

AND, FURTHERMORE, that this resolution shall be in effect from and after its adoption.

Adopted:

Certified:

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Clerk of Council

056L

# VIRGINIA FIRST CITIES

*Charlottesville      Danville      Fredericksburg      Hampton      Hopewell      Lynchburg      Newport News*  
*Norfolk      Petersburg      Portsmouth      Richmond      Roanoke      Staunton      Winchester*

## **POLICY COMMITTEE MEETING NOTES JANUARY 31, 2002**

### **I. Welcome and Introductions –**

Joe Brooks, Vice-Mayor from the City of Richmond, welcomed everyone. Mr. Brooks took the place of Mayor McCollum who was ill. Everyone introduced himself or herself.

### **II. Election of Chair and Vice Chair –**

Mr. Brooks asked for nominations from the floor for Chair. Mr. Tignor nominated Mayor McCollum of Richmond. There being no further nominations, the nominations were closed. There was a motion to accept the name of Mayor McCollum as chair. The motion was seconded and approved. Nominations for the Vice-Chair were called. Rhet Tignor, Council Member from the City of Hampton and Joe Frank, Mayor of Newport News, received nominations. Mr. Frank declined the nomination. There was a motion to accept Mr. Tignor's name as Vice-Chair. It was seconded and the motion passed.

### **III. Updates –**

#### **a. JLARC Study of Education**

Jim Regimbal of Fiscal Analytics reviewed the study. While the JLARC report has many sound findings, it is not a long-term education policy solution for localities because it still validates the underlying state funding process. The state SOQ and Composite Index processes do not provide a true "foundation" program, as in most states, but rather a process that seeks to minimize state expenditures on public education. JLARC's report seems to initially come to this conclusion, but then falls short on recommending a real alternative to the current education funding system in Virginia. Fiscal Analytics recommends constructing a true Foundation Program "needs and cost analysis" that would take as its first priority, the State's Constitutional responsibility to provide a high quality education to each individual student. Jim reviewed the specific JLARC findings, most of which are financially favorable to the First Cities.

## b. General Discussion

Is the JLARC study a document that can be used in a lawsuit? First Cities should do legal research. There is enough data. There was discussion regarding a timeframe to rectify these problems. While the issues will not be resolved immediately, First Cities is approaching a crisis - not just in education but also across the board. Action needs to happen now. Joe Frank from Newport News has asked his City Attorney to look into the legality issue for legal recourse. Connie Bawcum stated that the state consistently cut programs and puts additional funding responsibility on the local level. Stuart Hobbs, Jr., Vice Mayor from the City of Lynchburg, feels that a work program needs to be developed through a First Cities Caucus meeting with all state legislators. First Cities needs to develop a comprehensive Public Information campaign to educate the public. Delegate James Dillard spoke to the group. He stated that timing is critical for the ½ cent increase in the sales tax. If it does not happen now, he did not think it would happen.

## IV. Committee Discussion on Policy Positions

Mayor Joe Frank moved and Mayor Rosalyn Dance from Petersburg seconded that the First Cities Policy Committee approve the following policy positions. The motion passed unanimously.

- 1) Support a special session of the General Assembly to consider tax restructuring.
- 2) Investigate litigation concerning the SOQ's.
- 3) Seek allies who support First Cities' issues on a case-by-case basis (e.g. VACO, VA Education Association, etc.).
- 4) Develop a comprehensive Public Relations and Information plan. A timeline and funding requirements should be in that work plan.
- 5) Support bills raising statewide and regional sales tax to fund education and transportation needs.

The discussion surrounding these policy issues concluded that the First Cities needs to take a strong proactive stand to develop a public information campaign, hold a First Cities Caucus meeting with state legislators, and explore legal recourse on the education issue. The question about how the legal council would be funded was raised. The staff will explore information sharing with the VEA and pro bono possibilities.

Policy Committee members also indicated that First Cities needs to be very careful efforts to work with other organizations do not dilute our issues. Darlene Burcham, Roanoke City Manager, commented that the First Cities long ago outgrew parent-child relationship with the State. However, the State continues this approach to intergovernmental relations.

Maurice A. Jones, Deputy Chief of Staff to Governor Warner, stated that his responsibility was to coordinate a statewide urban policy. There needs to be a way to explore how tax structure affects the urban policy and address inequities. He cited a need to establish a working group of Cabinet Secretaries to identify changes in state policy that can benefit urban

areas and explore more ways to encourage regionalism. Governor Warner is very committed in helping Virginia cities and in hearing what Virginia cities have to say.

Vice Chair Rhet Tignor suggested that new city council members attend an orientation session on city issues in addition to the training session held for newly elected officials in Charlottesville. He urged the city managers to provide this orientation in their individual cities.

The next meeting of the Policy Committee will be held before the veto session. No further business, the meeting was adjourned.